S.B. NO. $^{1064}_{S.D. 2}$

A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Chapter 329D, Hawaii Revised Statutes, is
2	amended by adding two new sections to be appropriately
3	designated and to read as follows:
4	"§329D- Unauthorized operation of a dispensary; criminal
5	penalty. (a) It shall be unlawful for any person to operate a
6	dispensary without a license from the department pursuant to
7	this chapter.
8	(b) No person shall intentionally, knowingly, or
9	recklessly operate any search platform, web hosting services,
10	social media platform, or other entity that posts information
11	advertising the sale of cannabis products by an unlicensed
12	person or entity engaged in the production, manufacture, or sale
13	of cannabis or manufactured cannabis products without a license
14	pursuant to this chapter.
15	(c) The department shall issue a cease and desist notice
16	to any person or entity who violates subsection (a) or (b);

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1	provided that the cease and desist notice shall be issued before
2	initiating criminal proceedings.
3	(d) Any person who violates subsection (a) shall be guilty
4	of a class C felony.
5	(e) It shall be an affirmative defense to subsection (b)
6	that the person operating any search platform, web hosting
7	services, social media platform, or other entity that posts
8	information advertising the sale of cannabis products had
9	requested, examined, and reasonably relied upon a license that
10	appeared to have been issued by the department that was shown by
11	the unlicensed person or unlicensed entity engaged in the
12	production, manufacture, or sale of cannabis or manufactured
13	cannabis products establishing that the unlicensed person or
14	unlicensed entity was licensed by the department to engage in
15	the production, manufacture, or sale of cannabis or manufactured
16	cannabis products pursuant to this chapter. The failure of the
17	person operating any search platform, web hosting services,
18	social media platform, or other entity that posts information
19	advertising the sale of cannabis products to request and examine
20	a license issued by the department from the unlicensed person or
21	unlicensed entity engaged in the production, manufacture, or



1	sale of c	annabis or manufactured cannabis products before	
2	providing	access to any search platform, web hosting services,	
3	<u>social me</u>	dia platform, or other entity that posts information	
4	<u>advertisi</u>	ng the sale of cannabis products shall be construed	
5	<u>against t</u>	he person operating any search platform, web hosting	
6	services, social media platform, or other entity that posts		
7	informati	on advertising the sale of cannabis products and form a	
8	conclusiv	e basis for the person's violation of this section.	
9	(f)	This section shall not apply to:	
10	(1)	Hemp processors, hemp product retailers, or hemp	
11		produce retailers with a valid permit under	
12		chapter 328G; or	
13	(2)	Primary qualified caregivers registered under	
14		chapter 329 who are acting within the scope of their	
15		permit or registration.	
16	<u>§329</u>	D- Cannabis cultivator; license required. (a)	
17	Notwithst	anding section 329D-24, it shall be unlawful for any	
18	person to	cultivate cannabis without a license from the	
19	departmen	t pursuant to this section.	

20 (b) A cannabis cultivator license shall authorize:

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1	(1) The acquisition and cultivation of cannabis plants,
2	seeds, cuttings, or clones; and
3	(2) The distribution of cannabis plants and cannabis
4	flower to a medical cannabis dispensary.
5	(c) The department shall issue not more than one cannabis
6	cultivator license for each person.
7	(d) The maximum number of cannabis cultivator licenses
8	that may be issued by the department to the public shall not
9	exceed licenses.
10	(e) The maximum size of plant canopy the department may
11	authorize for each cannabis cultivator license shall
12	be square feet of plant canopy for indoor
13	cultivations and square feet of plant canopy for
14	outdoor cultivations, or a maximum plant count
15	of mature cannabis plants for each cannabis
16	cultivator license.
17	(f) For the purposes of this section, "plant canopy" means
18	the square footage dedicated to flowering plants that are wider
19	or taller than twelve inches. "Plant canopy" does not include
20	areas such as space used for the storage of fertilizers,

21 pesticides, or other products, quarantine, or office space."



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1	SECT	ION 2. Section 321-30.1, Hawaii Revised Statutes, is
2	amended b	y amending subsection (a) to read as follows:
3	"(a)	There is established within the state treasury the
4	medical c	annabis registry and regulation special fund. The fund
5	shall be	expended at the discretion of the director of health:
6	(1)	To establish and regulate a system of medical cannabis
7		dispensaries in the State;
8	(2)	To offset the cost of the processing and issuance of
9		patient registry identification certificates and
10		primary caregiver registration certificates;
11	(3)	To fund positions and operating costs authorized by
12		the legislature;
13	(4)	To establish and manage a secure and confidential
14		database;
15	(5)	To fund public education as required by section 329D-
16		26;
17	(6)	To fund substance abuse prevention and education
18		programs; [and]
19	(7)	To fund programs for the mitigation and abatement of
20		nuisances relating to chapter 329D; and

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[-(7)] (8) For any other expenditure necessary, consistent 1 2 with this chapter and chapter 329D, to implement 3 medical cannabis registry and regulation programs." 4 SECTION 3. Section 329-123, Hawaii Revised Statutes, is 5 amended by amending subsection (a) to read as follows: 6 "(a) Physicians or advanced practice registered nurses who 7 issue written certifications shall provide, in each written 8 certification, the name, address, patient identification number, 9 and other identifying information of the qualifying patient. 10 The department of health shall require, in rules adopted 11 pursuant to chapter 91, that all written certifications comply with a designated form completed by or on behalf of a qualifying 12 13 patient. The form shall require information from the applicant, primary caregiver, and physician or advanced practice registered 14 15 nurse as specifically required or permitted by this chapter. The form shall require the address of the location where the 16 17 cannabis is grown and shall appear on the registry card issued by the department of health. The certifying physician or 18 advanced practice registered nurse shall be required to have a 19 20 bona fide physician-patient relationship or bona fide advanced practice registered nurse-patient relationship, as applicable, 21

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1	with the qualifying patient. All current active medical		
2	cannabis permits shall be honored through their expiration date.		
3	Any fees assessed by a certifying physician or advanced practice		
4	registered nurse to issue a written certification for a		
5	qualifying patient shall not exceed an amount equal to three		
6	times the amount of the fee charged by the department of health		
7	to issue a registration certificate pursuant to subsection (b)."		
8	SECTION 4. There is appropriated out of the medical		
9	cannabis registry and regulation special fund the sum of		
10	\$ or so much thereof as may be necessary for fiscal		
11	year 2025-2026 and the same sum or so much thereof as may be		
12	necessary for fiscal year 2026-2027 for the department of the		
13	attorney general to enforce, and mitigate nuisances relating to,		
14	chapter 329D, Hawaii Revised Statutes.		
15	The sums appropriated shall be expended by the director of		
16	health for the purposes of this Act.		
17	SECTION 5. This Act does not affect rights and duties that		
18	matured, penalties that were incurred, and proceedings that were		
19	begun before its effective date.		
20	SECTION 6. Statutory material to be repealed is bracketed		
21	and stricken. New statutory material is underscored.		



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- 1 SECTION 7. This Act shall take effect on December 31,
- **2** 2050.



Report Title:

DOH; Medical Cannabis; Cannabis Cultivator; Licensure; Requirement; Cease and Desist Notice; Penalty; Violations; Affirmative Defense; Conclusive Basis; Medical Cannabis Registry and Regulation Special Fund; Exceptions; Appropriations

Description:

Prohibits persons from operating a medical cannabis dispensary or cultivating cannabis without a license from the Department of Health. Prohibits individuals from providing certain services to individuals engaging in unlicensed cannabis operations. Requires the Department of Health to send a cease and desist notice to violators. Establishes criminal penalties. Establishes an affirmative defense for, and a conclusive basis for certain violations. Establishes exceptions. Establishes a cannabis cultivator license to authorize the cultivation and distribution of cannabis plants. Requires the Department of Health to only issue one cannabis cultivator license for each person. Establishes limits on: (1) the number of cannabis cultivator licenses the Department of Health may issue; (2) the maximum size of plant canopy for indoor and outdoor cultivations for each cannabis cultivator license; and (3) the maximum plant count of mature cannabis plants for each cannabis cultivator license. Authorizes expenditures from the Medical Cannabis Registry and Regulation Special Fund to fund programs for the mitigation and abatement of nuisances relating to chapter 329D, HRS. Appropriates funds out of the Medical Cannabis Registry and Regulation Special Fund for the Department of Attorney General to enforce, and mitigate nuisances relating to, chapter 329D, HRS. Effective 12/31/2050. (SD2)

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